



GOVERNMENT DEBT MANAGEMENT

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Press Release

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Signing of Agreements regarding Issuance of Treasury Securities and Market Making in the Secondary Market

Today the Government Debt Management on behalf of the Treasury and primary dealers signed agreements regarding Issuance and Market Making in Treasury securities. The objective of the agreements is to maintain the Treasury's access to financing and to enhance price formation in the secondary market for Treasury securities.

As of 1 April 2020, four financial institutions have been appointed as "primary dealers in Treasury securities". They are: Arion Banki hf., Islandsbanki hf., Kvika banki hf. and Landsbankinn hf.

The following bullet points describe the main content of the Agreement:

- Primary dealers have exclusive access to auctions of marketable Treasury securities.
- Primary dealers have exclusive access to special facilities such as repurchase agreements or securities lending facility offered by the Government Debt Management on behalf of the Treasury.
- Primary dealers are obliged to submit bids at each auction for a minimum of 100 m.kr. nominal value.
- Primary dealers are Market Makers in the secondary market for Treasury benchmark series. They are obliged to submit bid and ask offers on the stock exchange for at least 50 to 100 m.kr. nominal value in each benchmark series (as laid out in the agreements).
- Primary dealers are in their bid and ask quotes governed by maximum spreads as laid out in the agreements.
- Primary dealers are obliged to renew their offers within ten minutes after execution of transaction. The primary dealer is entitled to depart from the maximum spread requirement if certain conditions are fulfilled.
- The agreement is valid from 1 April 2020 to 31 March 2021.

Further information can be obtained from Björgvin Sighvatsson, head of the Government Debt Management at +354 569 9600.